File No. 333

Substitute Senate Bill No. 574

Senate, April 3, 1998. The Committee on Public Health reported through SEN. HARP, 10th DIST., Chairman of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE PURCHASE OF MEDICAL PRACTICES BY HEALTH INSURERS AND THE SUBSEQUENT EXCLUSION OF PRACTICES NOT OWNED BY INSURERS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

(NEW) (a) Each managed care organization that (1) restricts an enrollee to a particular health care provider or refers an enrollee to a particular provider, and (2) has a financial interest in the provider to which the enrollee is restricted or referred, shall inform the enrollee of the existence of the financial interest and shall offer the enrollee alternative providers covered by the plan with whom the managed care organization does not have a financial interest.

(b) For purposes of this section:

(1) "Managed care organization" means an insurer, health care center, hospital or medical service corporation or other organization delivering, issuing for delivery, renewing or amending any individual or group health managed care plan in this state.

(2) "Enrollee" means a person who has contracted for or who participates in a managed care plan for himself or his eligible dependents.

(3) "Health care provider" means a person licensed to provide health care services under

chapters 370 to 373, inclusive, chapters 375 to 383b, inclusive, chapters 384a to 384c, inclusive, or chapter 400j of the general statutes.

PH COMMITTEE VOTE: YEA 23 NAY 0 JFS

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"THE FOLLOWING FISCAL IMPACT STATEMENT AND BILL ANALYSIS ARE PREPARED FOR THE BENEFIT OF MEMBERS OF THE GENERAL ASSEMBLY, SOLELY FOR PURPOSES OF INFORMATION, SUMMARIZATION AND EXPLANATION AND DO NOT REPRESENT THE INTENT OF THE GENERAL ASSEMBLY OR EITHER HOUSE THEREOF FOR ANY PURPOSE."

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FISCAL IMPACT STATEMENT - BILL NUMBER sSB 574

STATE IMPACT	None, see explanation below
MUNICIPAL IMPACT	None
STATE AGENCY(S)	Department of Insurance

EXPLANATION OF ESTIMATES:

The bill requires any managed care organization that restricts an enrollee to a particular provider to notify that enrollee if the organization has a financial interest in that provider.

There is no workload increase for the Department of Insurance as a result of the passage of this bill.

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OLR BILL ANALYSIS

sSB 574

AN ACT CONCERNING THE PURCHASE OF MEDICAL PRACTICES BY HEALTH INSURERS AND THE SUBSEQUENT EXCLUSION OF PRACTICES NOT OWNED BY INSURERS

SUMMARY: This bill requires any managed care organization (1) restricting or referring an enrollee to a particular provider and (2) having a financial interest in that provider to inform the enrollee of that organization's financial interest in the provider. The managed care organization must also offer the enrollee alternative providers covered by the plan with whom the organization has no financial interest.

A "managed care organization" is an insurer, health care center (i.e. HMO), hospital, medical service corporation, or other organization that issues, renews, or amends individual or group managed care plans.

EFFECTIVE DATE: October 1, 1998

COMMITTEE ACTION

Public Health Committee

Joint Favorable Substitute
Yea 23 Nay 0